GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2613
ANSWERED ON:17.03.2006
CIRCULATION OF FAKE CURRENCY
Rawale Shri Mohan

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware of the large scale circulation of fake currency in Western Uttar Pradesh;

(b) if so, whether even Bank Employees are not able to recognise the fake currency; and

(c) if so, the steps taken to stop the circulation of fake currency in Banks ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P.K.BANSAL)

(a): There are no reports of large scale circulation of fake currency notes.

(b) & (c): RBI has informed that bank employees have always been able to detect the counterfeit banknotes by way of `touch` and `feel` features of banknotes in addition to the security features that are not fully replicated in the counterfeit banknotes. As an additional measure, all currency chests of banks have been advised to install Note Sorting Machines to ensure detection of counterfeit banknotes. To counter the circulation of fake currency, Govt./RBI have taken a number of steps i.e.
(i) new/additional security features have been introduced in the banknotes
(ii) RBI have set up a separate Division in its Central Office for collection of data on counterfeit banknotes. All commercial banks have also formed Forged Note Vigilance Cells,
(iii) RBI has been regularly conducting training programme of the bank employees for detection of counterfeit banknotes,
(iv) RBI has advised other banks to improve their mechanism for detection of counterfeit notes and also gather intelligence and pass over such information to RBI Central Office,
(v) CBI has been designated as Nodal agency to coordinate and monitor investigations of cases involving detection of counterfeit banknotes.